



**Cost of Capital Navigator  
Frequently Asked Questions:  
Publications**

**Question 1: Can I still purchase a hardcover copy of the *Valuation Handbook – U.S. Guide to Cost of Capital* with the data exhibits in it?**

**No.**

Duff & Phelps will *not* publish a commercially available version of the *Valuation Handbook – U.S. Guide to Cost of Capital* that includes the data exhibits.

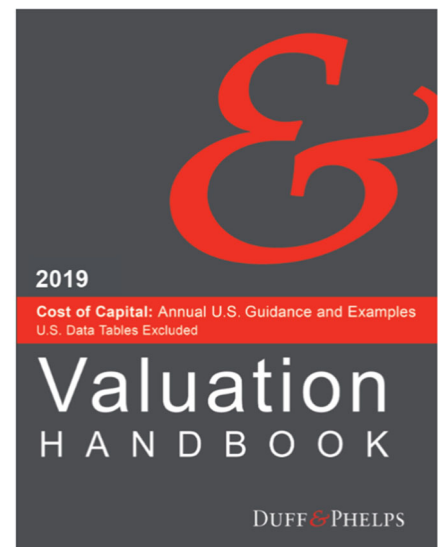
All of the data from the *Valuation Handbook – U.S. Guide to Cost of Capital* is available exclusively in the online Cost of Capital Navigator platform.<sup>1</sup>

It is important to understand that the softcover print-on-demand version does not include the data exhibits, but *will* include all of the most recent year's updated discussions about the size premium, the equity risk premium and risk-free rates, plus methodology, frequently-asked-questions, and dozens of examples for using Cost of Capital Navigator data properly.<sup>2</sup>

***“The print-on-demand book is an excellent resource for training new staff.” – Roger Grabowski, Managing Director, Duff & Phelps***

The print-on demand-book:

- Is a softcover (not a hardcover book)
- Includes text from the most recent year
- Includes examples for properly using the data
- Does **not** include any of the CRSP Deciles Size Study data exhibits
- Does **not** include any of the Risk Premium Report data exhibits
- Can be ordered exclusively through the Cost of Capital Navigator
- Costs \$45



<sup>1</sup> To learn more, see: FAQ – Data/Functionality

<sup>2</sup> To learn more, see: FAQ – Data/Functionality

**Question 2: Will the price of a subscription to the Cost of Capital Navigator increase once the other three *Valuation Handbooks* are added to it?** <sup>3,4</sup>

The information and data from the *Valuation handbooks* is offered in “modules” in the new Cost of Capital Navigator online platform.

The information from the first book (the *Valuation Handbook – U.S. Guide to Cost of Capital*) is “Module 1” in the Cost of Capital Navigator:

- **Module 1:** U.S. cost of capital data (this is what is included in the Cost of Capital Navigator “Basic” and Cost of Capital Navigator “Pro” subscriptions).

The other three *Valuation handbooks* are scheduled to be added to the Cost of Capital Navigator in 2019 and 2020, and the Analyst or firm can add any of these additional three modules (for an additional charge):<sup>5</sup>

- **Module 2:** U.S. Industry Data (data from the *Valuation Handbook – U.S. Industry Cost of Capital*)
- **Module 3:** International Cost of Equity Capital Data (data from the *Valuation Handbook – International Guide to Cost of Capital*)
- **Module 4:** International Industry Data (data from the *Valuation Handbook – International Industry Cost of Capital*)

The Analyst or firm can purchase subscriptions to any combination of modules.

Each module is priced separately.

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<sup>3</sup> The “other three” *Valuation handbooks* are: (i) the *Valuation Handbook – U.S. Industry Cost of Capital*, (ii) the *Valuation Handbook – International Guide to Cost of Capital*, and (iii) the *Valuation Handbook – International Industry Cost of Capital*.

<sup>4</sup> In 2019, the “other three” *Valuation Handbooks* will still be offered in physical book format, just like in past years. However, later in 2019 and in 2020, the data from these three books will be moved to online to the Cost of Capital Navigator. Those who purchase hardcover versions of the three remaining *Valuation Handbooks* in 2019 will automatically be given access to the corresponding modules in the Cost of Capital Navigator as soon as they become available (free access is time-limited to 2019 data-years; a subscription will be required in 2020).

<sup>5</sup> To learn more, see: FAQ – General

### Question 3: Why would I need additional Cost of Capital Navigator data “Modules”?

Across the four *Valuation handbooks*, some of the data is designed to be “complementary”, and some of the data is “supplementary”. For example, many Analysts use the U.S. size premia, equity risk premia, industry risk premia and other valuation data through the Cost of Capital Navigator (previously published in the *Valuation Handbook – U.S. Guide to Cost of Capital*) to develop cost of equity capital estimates for U.S. companies. Data from the *Valuation Handbook – U.S. Industry Cost of Capital* could then be used to benchmark, augment, support, and strengthen the Analyst's own custom analysis of the industry in which a subject business, business ownership interest, security, or intangible asset resides.<sup>6</sup> This is a “complementary” use of the data.

So, a natural pairing of data “modules” for many Analysts and firms might be Modules 1 and 2:

- **Module 1:** U.S. cost of capital data (this is what is included in the Cost of Capital Navigator “Basic” and Cost of Capital Navigator “Pro” subscriptions).
- **Module 2:** U.S. Industry Data (data from the *Valuation Handbook – U.S. Industry Cost of Capital*)

Alternatively, some Analysts and firms primarily perform valuations in “international” locales (i.e., non-U.S. locales).

For these Analysts, a natural pairing of data “modules” might be Modules 3 and 4:

- **Module 3:** International Cost of Equity Capital Data (data from the *Valuation Handbook – International Guide to Cost of Capital*)
- **Module 4:** International Industry Data (data from the *Valuation Handbook – International Industry Cost of Capital*)

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<sup>6</sup> The *Valuation Handbook – U.S. Industry Cost of Capital* provides industry-level cost of capital estimates (cost of equity capital, cost of debt capital, and weighted average cost of capital, or WACC), plus detailed industry-level statistics for sales, market capitalization, capital structure, various levered and unlevered beta estimates (e.g., ordinary-least squares (OLS) beta, sum beta, peer group beta, downside beta, etc.), valuation (trading) multiples, financial and profitability ratios, equity returns, aggregate forward-looking earnings-per share (EPS) growth rates, and more. Over 300 critical industry-level data points are calculated for approximately 170 U.S. industries (depending on data availability). Industries are organized by standard industrial classification (SIC) code. The *Valuation Handbook – U.S. Industry Cost of Capital* can be used to benchmark, augment, and support the Analyst's own custom analysis of the industry in which a subject business, business ownership interest, security, or intangible asset resides.

However, many Analysts and firms have a need for *both* U.S. and international data. For those Analysts and firms, a subscription to all four modules would be a *powerful* combination that provides the comprehensive data and flexibility they need:

- **Module 1:** U.S. cost of capital data (this is what is included in the Cost of Capital Navigator “Basic” and Cost of Capital Navigator “Pro” subscriptions).
- **Module 2:** U.S. Industry Data (data from the *Valuation Handbook – U.S. Industry Cost of Capital*)
- **Module 3:** International Cost of Equity Capital Data (data from the *Valuation Handbook – International Guide to Cost of Capital*)
- **Module 4:** International Industry Data (data from the *Valuation Handbook – International Industry Cost of Capital*)

The Analyst or firm can purchase subscriptions to any combination of modules.

Each module is priced separately.

## Question 4: Will the *Stocks, Bonds, Bills, and Inflation*<sup>®</sup> (SBBI<sup>®</sup>) Yearbook still be published?

YES.

The 2019 SBBI<sup>®</sup> Yearbook will be published like usual in early 2019 with data through December 31, 2018; the 2020 SBBI<sup>®</sup> Yearbook will be published like usual in early 2020 with data through December 31, 2019, etc., etc.

However, the SBBI<sup>®</sup> Yearbook does not include valuation data, and is not being added to the Cost of Capital Navigator.

This annual book has been the definitive annual resource for historical U.S. capital markets performance data for over 30 years.

Starting with the 2016 edition, the *Stocks, Bonds, Bills, and Inflation*<sup>®</sup> (SBBI<sup>®</sup>) Yearbook has been produced by Duff & Phelps. The SBBI<sup>®</sup> Yearbook was previously published by Morningstar, Inc. under the name “Ibbotson *Stocks, Bonds, Bills, and Inflation*<sup>®</sup> (SBBI<sup>®</sup>) Classic Yearbook”.

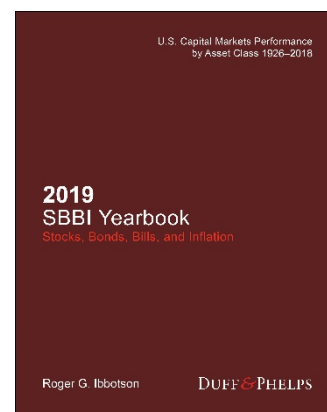
This book includes returns, index values, and statistical analyses of U.S. large company stocks, small company stocks, long-term corporate bonds, long-term government bonds, intermediate-term government bonds, U.S. Treasury bills, and inflation from January 1926 to present (monthly).

Anyone serious about investments or investing needs an appreciation of capital market history. Such an appreciation, which can be gained from this book, is equally valuable to the individual and institutional investor, practitioners and scholars in finance, economics, and business, portfolio strategists, and security Analysts seeking to benchmark their own investment performance.

The SBBI<sup>®</sup> Yearbook is a thinking person’s guide to using historical data to understand the financial markets and make decisions.

To purchase the 2019 SBBI<sup>®</sup> Yearbook, go to:

<https://duffandphelps.onfastspring.com/books/2019-sbbi-yearbook>



## **Question 5: Which *Valuation Handbooks* are available in 2019 and where can I purchase?<sup>7</sup>**

### ***Valuation Handbook – U.S. Industry Cost of Capital***

The *Valuation Handbook – International Industry Cost of Capital* provides global industry-level cost of capital estimates (cost of equity, cost of debt, and weighted average cost of capital, or WACC), plus detailed industry-level statistics for sales, market capitalization, capital structure, various levered and unlevered beta estimates, valuation (trading) multiples, financial and profitability ratios, equity returns, aggregate forward-looking earnings-per-share (EPS) growth rates, and more.

### ***Valuation Handbook – International Guide to Cost of Capital***

The *Valuation Handbook – U.S. Industry Cost of Capital* provides cost of equity capital and weighted average cost of capital (WACC) estimates for each of the U.S. industries covered in the book, plus capital structure, valuation (trading) multiples, sales, market capitalization, capital structure, several levered and unlevered beta estimates, financial and profitability ratios, equity returns, aggregate forward-looking earnings-per-share (EPS) growth rates, and more.

### ***Valuation Handbook – International Industry Cost of Capital***

The *Valuation Handbook – International Guide to Cost of Capital* provides data and methodology guidance that will enable the reader to assess risk and develop cost of capital estimates on a global scale, coupled with data exhibits that provide country-level country risk premia (CRPs), Relative Volatility (RV) factors, and equity risk premia (ERPs).

### ***2019 Stocks, Bonds, Bills, and Inflation® (SBI®) Yearbook***

The *Stocks, Bonds, Bills, and Inflation® (SBI®) Yearbook* is the industry standard performance data reference, with comprehensive records dating back to 1926. Covering common stocks, long-term government bonds, long-term corporate bonds, Treasury bills, and the Consumer Price Index, this book provides the essential information advisors, planners, and brokers need to analyze asset class performance.

These books will be available for purchase by visiting:

<https://duffandphelps.onfastspring.com/books>

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<sup>7</sup> The valuation data (e.g., CRSP Deciles size premia, industry risk premia, equity risk premia, risk-free rates, Risk Premium Report Study size and risk premia, etc.) previously published in the *Valuation Handbook – U.S. Guide to Cost of Capital* is not published in any of the books listed on this page, but is now available exclusively in the online *Cost of Capital Navigator*.

## **Question 6: I just ordered my book, when will I receive it?**

For delivery within the United States, you can expect to receive your book in 8-12 Business Days. For delivery to international countries, you can expect to receive your book in 10-18 Business Days.

When your products ship, you will receive an email notification containing tracking information (if it is available for shipments to your country). Currently, not all countries receiving tracking information, but this is something we are working to update to provide the most current and correct information to our customers. Our book fulfillment partner is a print-on-demand service, meaning each book order will be created from scratch prior to being shipped. When your book ships, you will receive the email notification with or without tracking information.



## Question 7: Can I expedite my book order?

Book orders are typically shipped via USPS (Priority Ground) at a rate of \$9.99/publication (additional if multiple books are ordered at once). We are currently working to implement the ability to expedite orders and look to have this functionality up and running in 2019.

## **Question 8: I ordered the wrong book, what do I do?**

In the event that you have accidentally purchased the incorrect product, we allow for you to return the product, and purchase the correct product.

We will refund the original product as soon as (i) you have purchased the correct product and (ii) you have shipped the incorrect product back to us in re-sellable condition. Once we have received the product and confirmed your order, we will issue a refund.

## Question 9: I just received my book. When and how will I get my updates?

	2019 Updates	Release Form
<i>Valuation Handbook – U.S. Industry Cost of Capital</i>	Quarterly (Available July, October, February*)	Print or Digital
<i>Valuation Handbook – International Guide to Cost of Capital</i>	Semi-annually (Available October)	Print or Digital
<i>Valuation Handbook – International Industry Cost of Capital</i>	Semi-annually (Available March*)	Print or Digital
<i>SBBI<sup>®</sup> Yearbook</i>	No update	No update

\*These updates will be delivered in 2020 instead of 2019.

For 2018 editions, all updates will remain in the softcover book format. Because each update contains data up to the month's end, the update will not be delivered until a month after the quarter's end. For example, the March 2018 update to the *Valuation Handbook – U.S. Industry Cost of Capital* contains data through March 31, 2018, so to incorporate all the data and ensure its validity, the book is fulfilled after a single month buffer.

Both the *Valuation Handbook – International Guide to Cost of Capital* and the *Valuation Handbook – International Industry Cost of Capital* are updated semi-annually, while the *Valuation Handbook – U.S. Industry Cost of Capital* is updated quarterly. No other publications offer an update with their purchase.

Starting in 2019, all of our publications will be available in soft-cover OR digital format. You will have the option to receive the 2019 *Valuation Handbooks* and 2019 *SBBI<sup>®</sup> Yearbook* (and their respective updates) in soft-cover print form via mail, or as an online access (no print, no download) PDF.

As we transition the rest of the *Valuation Handbooks* to the Cost of Capital Navigator, we will continue to offer digital versions of all updates. Due to the capabilities of the digital format, we will enforce some restrictions on the digital versions of the books. These restrictions include: no editing, no downloading and no printing of the digital versions.